

Message Text

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ACTION EB-07

INFO OCT-01 EUR-12 IO-10 ISO-00 FEA-01 AGR-05 CEA-01

CIAE-00 COME-00 FRB-03 H-02 INR-07 L-03 LAB-04

NSAE-00 NSC-05 PA-01 AID-05 CIEP-01 SS-15 STR-04

TAR-01 TRSE-00 USIA-06 PRS-01 SP-02 OMB-01 /098 W

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R 130752Z JUN 75

FM AMEMBASSY STOCKHOLM

TO SECSTATE WASHDC 4899

INFO AMEMBASSY BRUSSELS

AMEMBASSY COPENHAGEN

USMISSION GENEVA

AMEMBASSY HELSINKI

AMEMBASSY OSLO

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E.O. 11652: N/A

TAGS: GATT, ETRD, EEC, EFTA, SW

SUBJECT: EC/EFTA RULES OF ORIGIN FOR TEXTILES

REF: STOCKHOLM 2679

1. IN MEETING JUNE 11 WITH MANAGING DIRECTOR VALTER STRANDBERG OF SWEDISH TEXTILE COUNCIL, EMBASSY OFFICER RECEIVED INFORMATION INDICATING SWEDISH DISSATISFACTION WITH PRESENT RULES OF ORIGIN (R/O) REQUIREMENTS, BUT NO DOCUMENTED CASES OF INDUSTRY COMPLAINTS. SOURCE HOWEVER GAVE EXAMPLES OF DIFFICULTIES.

2. REGARDING MIXED FABRICS FOR OUTERWEAR, SOURCE SAID TEN PERCENT TOLERANCE LIMIT SHOULD BE EXPANDED TO 20 PERCENT AND CITED INSTANCE WHERE SPANDEX (LYCRA), AN ELASTIC FIBER, IS USED WITH OTHER SYNTHETIC FIBERS. HE NOTED THAT ONLY SOURCE WITH SUFFICIENT QUANTITY AND QUALITY OF LYCRA AT THIS TIME

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WAS THE UNITED STATES. USE OF FIBER IN MIXED SYNTHETIC

PRODUCTS RESULTED IN A PRODUCT WHICH DID NOT QUALIFY FOR FAVORABLE EC TARIFF TREATMENT. HE SAID HIS COUNCIL HAD RECOMMENDED TO SWEDISH GOVERNMENT THAT SUBJECT BE TAKEN UP WITH OTHER EFTA COUNTRIES FOR PRESENTATION TO EC. HE SUGGESTED THAT CORRECTION REQUIRED IN R/O WAS (1) EXPANSION OF TOLERANCE REQUIREMENT FOR ALL MIXED SYNTHETICS TO 20 PERCENT OR (2) SEPARATION OF SPANDEX INTO A CATEGORY OTHER THAN SYNTHETIC FIBERS.

3. STRANDBERG ALSO CITED CASE OF IMPORTS FROM US OF NYLON WHICH IS PROCESSED INTO YARN IN SWEDEN AND KNITTED INTO SWEATERS AT A PLANT IN FINLAND. SUCH SWEATERS, HE SAID, DO NOT QUALIFY FOR ORIGIN STATUS IN SALES TO EC.

4. SOURCE ALSO SAID EC CUMULATION RULES SHOULD BE LIBERALIZED TO 50 PERCENT. HE DID NOT THINK, HOWEVER, THAT EC WOULD ACCEDE TO THIS REQUEST.

5. IN ADJUSTING TO NEW R/O REQUIREMENTS, STRANDBERG SAID INITIALLY THERE WERE CONSIDERABLE CONFUSION AND DIFFICULTIES AMONG HIS MEMBER COMPANIES BUT NOW HE HAD FEW INQUIRIES FOR INTERPRETATION OF R/O REQUIREMENTS. HE SAID RULES SHOULD BE FURTHER SIMPLIFIED BUT THIS WOULD TAKE TIME. SOURCE THOUGHT BEST SOLUTION WOULD BE REVERT TO PREVIOUS EFTA RULES BUT THIS APPEARED UNLIKELY TO OCCUR.

6. COMMENT. SWEDISH TEXTILE LEADERS, ALTHOUGH NOT HAPPY WITH EC R/O REQUIREMENT, ARE MORE CONCERNED WITH LOW-PRICED IMPORTS OF TEXTILES FROM DEVELOPING COUNTRIES. STRANDBERG NOTED THAT SWEDISH INDUSTRY NOW SUPPLIES ONLY 25 PERCENT OF SWEDISH CONSUMPTION.
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Message Attributes

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Disposition Approved on Date:
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Disposition Date: 28 MAY 2004
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Disposition Reason:
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